

A Study On Omnichannel Authentication For The Banking Industry With Reference To DigiLocker”.

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ABSTRACT: The research paper focuses on the omnichannel platform in the Indian banking sector and its uses to the consumer with reference of DigiLocker. It gives an insight on the current need of having an seamless omnichannel banking platform and how it will simplify the customers work. As digital-first approach becomes a necessity, omnichannel banking will give customers the much-sought digital services. Omnichannel approach helps banks improve customer experience, reduce operational costs, and attract new customers.

INTRODUCTION:

Omnichannel is a "seamless and effortless, high-quality consumer experiences that occur within and between contact channels. A solution which simplifies and unifies every customer experience, whether online or in-person, with a single user-selectable method of authentication. Enabling to provide a consistent experience across channels, reduced friction, and decreased abandonment rates. The omnichannel strategy helps banks in interacting better with their customers by providing the same set of services both online and offline. Through omnichannel banking, customers are provided the liberty of performing traditional transactions without visiting the bank's branch, using a mobile phone, a personal computer or, even via the ATM.

One such Initiative taken by the Indian Government to help the customers ease their work is- **DigiLocker**. It is a flagship initiative of Ministry of Electronics & IT (MeitY) under **Digital India Corporation (DIC)**. DigiLocker aims at 'Digital Empowerment' of citizen by providing access to authentic digital documents to citizen's **digital document wallet**.

OBJECTIVE OF THE STUDY:

The aim behind this research is:

- To know what Omnichannel Banking means
- Impact and importance of using omnichannel strategy
- Requirement of omnichannel authentication in near future.
- To study the importance of DigiLocker in today's scenario.

RESEARCH METHODOLOGY:

The study is based on secondary sources of data and information. Different journals, newspapers and relevant websites have been consulted in order to make the study an effective one. The study attempts to provide an insight on the future of banking sector through the use of omnichannel.

1. What is Omnichannel?

- Omnichannel is offering the same set of services to the customer across all the channels whether they are digital or offline. In terms of banking, it means that the users can avail all the banking operations from a website, mobile app, bank's branch, a call centre, or any other available channel.
- A true omnichannel banking platform comes with real-time data synchronisation across all the channels. For example, the users can begin the onboarding process on one channel and can finish it on another without providing the same data all over again.
- Moreover, omnichannel banking comes with several implications for back-office operations. An omnichannel platform can play a crucial role in improving marketing performance, boosting customer retention rate, and simplifying onboarding processes.

2. Why use Omnichannel in Retail Banking?

- According to Nikunj Gundaniya product manager of Digipay.guru many studies show the significance of digital channels however, almost 50% of the customers want branch services as well.
- Other data suggests that around 60 percent of active banking users utilize digital channels. According to the 2017

survey, around 80% of all the customer touchpoints occur on digital. Whereas, on the other side, the digital channels only constituents 25% of the sales.

- These data go on to prove that although the digital channels have transformed banking in many ways, still most of the sales whether via a telephone or in the branch requires human interaction.

3. Process of Omnichannel Strategy:

The omnichannel strategy helps banks in interacting better with their customers by providing the same set of services both online and offline. Omnichannel strategy assumes paramount importance as it helps banks to understand customer needs by monitoring their activities across different channels. This process of engagement with the customers allows banks to better understand the needs of their customers and hence upgrade their services accordingly. Some of the features of omnichannel banking according to Ryan North of enterprise edges are:

1. 24/7 customer support for providing assistance
2. Digital-first approach
3. Real-time data synchronization across different channels

A three-tier approach can be adopted for the successful implementation of the omnichannel strategy.

The steps to build a successful omnichannel strategy include:

1. Data collection:

The omnichannel strategy offers banks the opportunity to gather information about their customer base by monitoring their activities across different channels. The information collected, subject to prevailing laws and the customer's explicit consent helps understand their needs and choices. This understanding helps banks target their customers with the exact product at the right time.

2. Data Management:

Data collection can prove futile if there is no proper mechanism to organize and manage the collected data. Organized data management coupled with regular behavioural analysis via social networking platforms helps banks understand their customer's spending patterns. This data can prove to be quite useful in analysing the changing customer trends and launching personalized products.

3. Data analysis:

With a boom in digitization, data analysis has become a key tool for any business to prosper. A careful analysis of customer behaviour can provide invaluable information that can be utilized in creating differentiated services and more targeted marketing offers. This helps banks in providing personalized services to their customers and ensures customer retention.

4. How can banks make that leap to become a true omnichannel platform?

If banks want to jump to become a true omnichannel distribution platform, then they must develop the below three capabilities:

- Advanced analytics
- Marketing personalization across various channels
- Motivated sales force

IMPORTANCE OF OMNICHANNEL:

1. **Digital operations.** As digital-first approach becomes a necessity, omnichannel banking gives customers the much-sought digital services.
2. **Better communication.** Omnichannel allows keeping track of all touchpoints with customers and potential clients through different communication channels.
3. **New revenue streams.** Features like online onboarding, delicate marketing, and sophisticated data analytics allow reaching customers that would otherwise land at different banks.
4. **Lower costs.** Omnichannel platform takes over some routine tasks reducing operational costs and freeing bank employees for other value-generating activities.
5. **Digital security.** Omnichannel banking is about multi-factor authentication. There are many security tools available, such as passwords, sms verification, mobile app verification, Google Authenticator, and more. A combination of these tools makes digital banking convenient and effective while keeping users' data safe.

BENEFITS OF DIGILOCKER AS AN OMNICHANNEL:

Benefits to Citizens:

1. Important Documents Anytime, Anywhere!
2. Authentic Documents, Legally at Par with Originals.
3. Digital Document Exchange with the consent of the citizen.
4. Faster service Delivery- Government Benefits, Employment, Financial Inclusion, Education, Health.

□ **Benefits to Agencies:**

1. **Reduced Administrative Overhead:** Aimed at the concept of paperless governance. It reduces the administrative overhead by minimizing the use of paper and curtailing the verification process.
2. **Digital Transformation:** Provides trusted issued documents. Issued Documents available via DigiLocker are fetched in real-time directly from the issuing agency.
3. **Secure Document Gateway:** Acts as a secure document exchange platform like payment gateway between trusted issuer and trusted Requester/Verifier with the consent of the citizen.
4. **Real Time Verification:** Provides a verification module enabling government agencies to verify data directly from issuers after obtaining user consent.

RESULTS AND FINDINGS:

- Customers don't want a digital channel for many of the banking services and products.
- This gives the rise to the demand of a seamless omnichannel banking platform where a user can start onboarding a service from a digital channel and then can switch to a non-digital channel or the vice-versa seamlessly without losing their progress.
- Nowadays, omnichannel sales have become imperative for all the retail banks. Their customers might not know this phenomenon at all; however, they do feel its absence when it is lacking.
- Creating a robust omnichannel banking platform is surely the next step for banks to offer top- notch customer experience to their users. In coming years, we might see retail banks ramping up their omnichannel infrastructure to compete with the FinTech enterprises.
- Many banks have already started working on it as they have ramped up their investments in remote platforms and digitization that can complement the traditional channels.
- However, it's also true that many banks have yet not made the transition from multiple channels to omnichannel. And this has resulted in lower sales productivity.

CONCLUSION:

Omnichannel banking provides the right balance between traditional banking procedures and digital banking methods. These days customers look for personalized options and omnichannel banking helps banks in providing tailor-made services to their customers to suit their changing needs. By providing the right balance of convenience, accessibility, transparency and, security, omnichannel banking has the potential to change the future of banking in unprecedented ways.

FinTech services are putting enormous pressures on banks to go digital. Banks are also responding to it offering their customers with digital banking solutions

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